



BOARD OF SUPERVISORS

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# COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

*"To Enrich Lives Through Effective and Caring Service"*



Joseph M. Nicchitta  
Director

Joel Ayala  
Chief Deputy

Rafael Carbajal  
Chief Deputy

## Hearing Officer/Department of Consumer & Business Affairs

Hearing Date  
11/14/2019  
Agenda Item No.  
3

## Transmittal Checklist

Petitioner Name: Eduarda Ortega  
Case Number: RSQ19-06436  
Case(s): IRSO Petition for Noncompliance  
DCBA Staff: Shannon Louis

- ☒ Petition Summary
- ☒ Parcel Profile Report (separate attachment)
- ☒ Staff Report
- ☒ Burden of Proof Statement(s)
- ☒ Lease (separate attachment)
- ☒ Lease Addendum

Reviewed By: Dana Pratt



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**Case Number**  
RSQ19-06436

**Hearing Date**  
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## PETITION SUMMARY

**PETITIONER NAME**

Eduarda Ortega

**PETITION DATE**

June 10, 2019

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## PETITION OVERVIEW

Petitioner has filed a Petition for Noncompliance, requesting a reduction in rent in accordance with the Interim Rent Stabilization Ordinance, Ordinance Number 2018-0045.

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## PROPERTY ADDRESS

1115 E. 75<sup>th</sup> Street Los Angeles, CA 90001

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## KEY ISSUES

- Base Rent as of September 11, 2018 was \$1,300.00 per lease agreement dated July 10, 2018
- Petitioner was provided a rent credit addendum offering monthly rent credits as a reduction against the actual rent ranging from \$50.00-\$200.00 over the course of 8 months
- Rent of \$1,300.00 was increased in October 2019 by the allowable limit (currently 3%)

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## STAFF RECOMMENDATION

Denial

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**DCBA STAFF:**

Shannon Louis 213-974-4118 SLouis@dcba.lacounty.gov

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November 6, 2019

**TO:** Gina Natoli, AICP  
Hearing Officer

**FROM:** Shannon Louis

**Case No. RSQ19-06436**  
**Eduarda Ortega vs. B&G Realty, LLC**  
**Hearing Officer Meeting: November 14, 2019 – Agenda Item: 3**

### **Petition Description**

*Interim Rent Stabilization Ordinance (IRSO) Petition for Noncompliance*

Tenant Petitioner (Petitioner) is disputing a reported rent increase issued for the covered rental unit located at 1115 E. 75<sup>th</sup> Street Los Angeles, CA 90001.

The Petitioner reported receiving a "Rent Credit Addendum" dated July 10, 2018 providing the Petitioner with a "rent credit" or reduction against the lease rent beginning August 2018. The rent credits would be applied, pending payments were made prior to the fifth of each month through December 2018, with an option to extend the credit into an unspecified date in 2019. On March 26, 2019, the Petitioner was issued a notice to terminate the rent credit addendum effective May 1, 2019. The termination of these credits meant that the Petitioner would be responsible for the rent listed on the lease in the amount of \$1,300.00. While the rent credits began in August 2018, the Petitioner reported their base rent on September 11, 2018 was \$1,100.00 – which potentially constituted a \$200.00 (or 18.18%) rent increase over the course of September 2018 through May 2019. However, a rental agreement was provided to DCBA dated July 10, 2018, establishing the base rent as \$1,300.00. The Petition for Noncompliance was filed with the Department of Consumer & Business Affairs (DCBA) on June 10, 2019.

### **Use Type**

Multi-Family Residential; 0400

### **Year Built/Certificate of Occupancy (COO)**

1940

### **Previous Petitions/History**

N/A

### Staff Evaluation & Burden of Proof

DCBA has determined that the rental unit located at 1115 E. 75<sup>th</sup> Street Los Angeles, CA 90001 is covered under the Los Angeles County Interim Rent Stabilization Ordinance (Ordinance No. 2018-0045) and is subject to its conditions.

The IRSO covers residential dwellings on properties with two or more units in the unincorporated areas of Los Angeles County with initial certificates of occupancy or equivalent issued on or before February 1, 1995. **Ordinance No. 2018-0045 Section 1(A) and Section 1(B).**

The IRSO limits rent increases to 3% once per 12-month period and applies to any rent increase taking effect on or after September 11, 2018. **Ordinance No. 2018-0045 Section 3(A).**

The IRSO regulates Housing Service Adjustments and indicates that a decrease in Housing Services can be considered an increase in Rent. Rent and Housing Services are defined in Section 2 of the IRSO. **Ordinance No. 2018-0045 Section 3(C).**

According to the Interim Rent Stabilization Ordinance, and based on the lease agreement's established rent, the Petitioner's maximum allowable rent should be \$1,339.00. Since DCBA was provided with a lease agreement establishing base rent as \$1,300.00 in July 2018, the rent payments made over the course of September 2018 through July 2019 are allowable under the ordinance. On August 30, 2019, the Petitioner was issued a Notice of Rent Increase in the amount of 3%, effective October 1, 2019 as allowed under the ordinance, increasing monthly rent from \$1,300.00 to \$1,339.00. The rent payments are reflected below. It should be noted that the Petitioner reports not receiving or signing the lease agreement provided to DCBA by the landlord and thus being unaware of their actual rent without the rent credit. The Petitioner also reports that while they did sign the Rent Credit Addendum, they were uncertain of its terms because it was provided in English and the Petitioner's primary language is Spanish. Unfortunately, the issues regarding the validity of the signature and actual receipt of the lease agreement and the addendum being provided in a language outside of their primary language are outside of the jurisdiction of the IRSO. DCBA's recommendation for this petition is based on the fact that the issues raised in this petition do not demonstrate violation of the IRSO, but instead matters that should be handled civilly. **Ordinance No. 2018-0045 Section 3.**

2018-2019 Rent Payments		
Month	Rent Amount Paid	Overpayment
September 1, 2018	\$1,100.00	\$0.00
October 1, 2018	\$1,100.00	\$0.00
November 1, 2018	\$1,200.00	\$0.00
December 1, 2018	\$1,150.00	\$0.00
January 1, 2019	\$1,150.00	\$0.00
February 1, 2019	\$1,250.00	\$0.00
March 1, 2019	\$1,200.00	\$0.00

April 1, 2019	\$1,250.00	\$0.00
May 1, 2019	\$1,300.00	\$0.00
June 1, 2019	\$1,300.00	\$0.00
July 1, 2019	\$1,300.00	\$0.00
August 1, 2019	\$1,300.00	\$0.00
September 1, 2019	\$1,300.00	\$0.00
October 1, 2019	\$1,339.00	\$0.00
November 1, 2019	\$1,339.00	\$0.00

### **Proof of Service/Notice of Hearing**

The Petitioner, Eduarda Ortega, returned the Proof of Service to DCBA on June 11, 2019. DCBA sent the Notice of Hearing on October 25, 2019.

### **Public Comments**

N/A

### **Fees/Deposits**

N/A

### **Landlord Contact**

On June 25, 2019, DCBA was contacted by the Landlord after receiving a copy of the petition. The landlord was counseled on the IRSO. During that conversation, the landlord informed DCBA that there was a lease with the tenant with a rent credit addendum and that he did not believe a violation had occurred.

On September 11, 2019, DCBA contacted the landlord to follow up on the case and discuss the IRSO. DCBA left a voicemail, but the call was not returned.

On September 25, 2019, DCBA contacted the property manager and counseled them on the IRSO. During this conversation, they were further advised that rent could not be increased in excess of the allowable limit regardless of the issuance of any rent credits. The property manager was also informed that DCBA would be scheduling a hearing and sending a notice to the tenants and landlord. The property manager requested that DCBA follow up via email with this information. During that time, the property manager stated that she would be willing to work with DCBA to rescind the rent increases in writing. DCBA followed up the call with an email providing a copy of the ordinance, fact sheet, and discussion. DCBA did not receive any follow-up correspondence from the property manager.

On October 3, 2019, DCBA contacted the property manager via email to follow up on the discussion regarding rescinding the rent increase.

On October 4, 2019, the landlord contacted DCBA regarding the Petition for Noncompliance filed by the Petitioner. DCBA had the opportunity to speak with the landlord regarding the petition for noncompliance, validity of the rent credits, and the landlord stated that he decreased the rent credits for the tenant and that the tenant had not paid more than the rent specified in the lease. The landlord also informed DCBA that he had provided a new Notice of Rent Increase for the tenants as he had not yet

increased rent for the rental unit. The landlord further informed DCBA he would be in attendance at the hearing.

On October 10, 2019, DCBA left a voicemail regarding the hearing continuance.

On October 17, 2019, the landlord and property manager visited DCBA and were informed that the hearing was being continued as a result of further research being conducted and needing to obtain copies of the lease. They were further advised that DCBA requested the case be reviewed by County Counsel to provide additional feedback and direction as to the recommendations, since the lease agreements were not initially taken into account when the petition was filed.

On October 30, 2019, the landlord contacted DCBA to determine if a recommendation had been made. The landlord was informed that DCBA had not yet made a recommendation, but that copies of the Hearing Officer Packages would become available on the Monday prior to the scheduled hearing.

#### **Staff Recommendation**

The following recommendation is made prior to the public hearing and is subject to change based upon testimony and/or documentary evidence presented at the public hearing:

Staff recommends DENIAL of the Interim Rent Stabilization Ordinance Petition for Noncompliance – Case Number RSQ19-06436.

#### **SUGGESTED STATEMENT**

I, THE HEARING OFFICER, CLOSE THE PUBLIC HEARING AND FIND THAT THE INTERIM RENT STABILIZATION ORDINANCE PETITION FOR NONCOMPLIANCE – CASE NUMBER RSQ19-06436 IS **DENIED**, SUBJECT TO THE ATTACHED CONDITIONS.

#### **Suggested Statement**

Prepared by Shannon Louis  
Reviewed by Dana Pratt

#### **Attachments**

Initials JMN:DP: sl  
(11/6/19)

## BURDEN OF PROOF STATEMENT

DCBA Case #:

### Section III: Reason for Petition *(explain in detail why you are requesting a hearing)*

En el mes de Agosto del 2018 el pago fue de \$1050.  
Ahorita por el mes de Junio de 2019 mi pago fue \$1300.

Current Rent:

Proposed Rent (If known):

HAVE YOU RECEIVED OR ISSUED A NOTICE OF RENT INCREASE IN EXCESS OF THE ALLOWABLE LIMIT?

☒ Yes ☐ No

IS THIS MATTER URGENT?

☒ Yes ☐ No

REASON FOR URGENCY *(must attach relevant documents in order to be considered):*

No quiero que sigan aumentando la renta excesivamente

### Section IV: Respondent Information

Respondent Type: ☐ Tenant(s) ☒ Landlord ☐ Mobilehome Homeowner(s) ☐ Mobilehome Park Owner

Gloria Hatchard

Respondent Name/Organization *(Please list the names of each Tenant or Mobilehome Homeowner who received a copy of this petition below)*